

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING is entered between EDWARD JONES (hereinafter "EJ") and ERIC CLARK in his official capacity as MISSISSIPPI SECRETARY OF STATE (hereinafter "SOS").

PARTIES

1. EJ is a Missouri corporation with an address of 12555 Manchester Road, St. Louis, Missouri 63131-3729. At all times relevant herein, according to both the Central Records Depository (hereinafter "CRD") and the records of the SOS, EJ was registered as a broker-dealer in the State of Mississippi. EJ is also registered as an investment adviser under Section 203 of the Investment Advisers Act of 1940.
2. Brian Langley (hereinafter "Langley") is a natural person and resident of Mississippi. At all times relevant herein, according to both the CRD and the records of the SOS, Langley was not registered as an investment adviser representative in the State of Mississippi and was in the employ of EJ.
3. Jim Ford (hereinafter "Ford") is a natural person and resident of Mississippi. At all times relevant herein, according to both the CRD and the records of the SOS, Ford was not registered as an investment adviser representative in the State of Mississippi and was in the employ of EJ.
4. John McAnally (hereinafter "McAnally") is a natural person and resident of Mississippi. At all times relevant herein, according to both the CRD and the records of the SOS, McAnally was not registered as an investment adviser representative in the State of Mississippi and was in the employ of EJ.
5. Eric Clark is the duly elected Secretary of State for the State of Mississippi.

JURISDICTION

6. The parties herein acknowledge and confess to the jurisdiction of the Secretary of State as to the parties and the subject matter of this Memorandum of Understanding.

RECITALS

7. Section 75-71-303(b)(2) of the Mississippi Securities Act (hereinafter "Act") prohibits federal covered advisers to employ, supervise, or associate with an investment adviser representative (hereinafter "IAR") having a place of business located in Mississippi, unless such IAR is registered with the Division or exempt from registration.
8. EJ, a federally covered adviser, employed three (3) individuals, Langley, Ford, and, McAnally, who were acting as IARs. These individuals are employees of EJ working at EJ branches located in Mississippi. These individuals are not registered as IARs with the SOS.

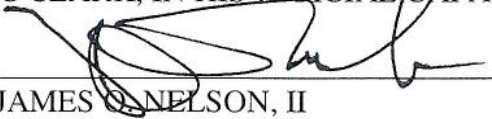
TERMS OF AGREEMENT

Now, therefore, in consideration of the foregoing and mutual promises and covenants contained herein, the parties agree as follows:

9. EJ agrees to pay the SOS in the amount of Fifty Thousand Dollars (\$50,000.00) in order to resolve the SOS's determination that EJ employed three (3) individuals who were located in Mississippi, acting as IARs and were not registered as IARs with the SOS. EJ agrees to remit payment to the "Mississippi Secretary of State" upon execution of the Memorandum of Understanding.
10. EJ agrees that its employees shall not act as IARs in Mississippi without being properly registered as such with the SOS.
11. EJ agrees that Langley, Ford, and McAnally will promptly register as an IAR with the SOS.
12. EJ agrees that Langely, Ford, and McAnally will not be permitted to solicit or enroll any additional Managed Account Program accounts until they are properly registered with the SOS.
13. EJ agrees to report to the SOS, upon discovery, any of its employees that act as an IAR and who has a place of business if Mississippi and who is not registered with the SOS as an IAR.

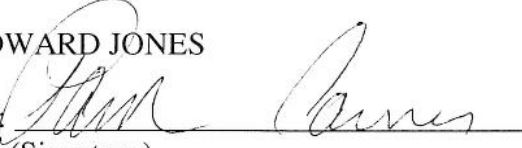
The parties herein acknowledge that they have read all the terms of this Memorandum of Understanding, that it is complete, and they agree to comply with all of the terms herein. The parties further agree that any change, modification or alteration of this document may only be done in writing agreed to by all parties.

ERIC CLARK, IN HIS OFFICIAL CAPACITY AS SECRETARY OF STATE

By: 
JAMES O. NELSON, II
Assistant Secretary of State

Date: 3/9/07

EDWARD JONES

By: 
(Signature)
Ram Carness
(Print Name)

Title: Chief Compliance Officer

Date: March 8, 2007